



**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2021-2020**

**OHIO AUDITOR OF STATE  
KEITH FABER**





VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021 .....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021 .....	6
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2021 .....	7
Notes to the Financial Statements For the Year Ended December 31, 2021 .....	8
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020 .....	18
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2020 .....	19
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2020 .....	20
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31
Schedule of Findings.....	33
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	36

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT

Village of Hicksville  
Defiance County  
111 South Main Street  
Hicksville, Ohio 43526-1398

To the Village Council:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Hicksville, Defiance County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matters***

As discussed in Note 15 to the financial statements, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 13 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to these matters.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 21, 2022

**This page intentionally left blank.**



**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Taxes	\$120,680	\$206,525		\$327,205
Municipal Income Tax	1,572,577			1,572,577
Intergovernmental	121,346	615,127	\$119,957	856,430
Special Assessments			60,804	60,804
Charges for Services	26,119	235,355		261,474
Fines, Licenses and Permits	20,965	23,386		44,351
Earnings on Investments	46,254	126		46,380
Miscellaneous	37,248	205,120		242,368
<i>Total Cash Receipts</i>	<u>1,945,189</u>	<u>1,285,639</u>	<u>180,761</u>	<u>3,411,589</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	634,755	679,923	46,205	1,360,883
Public Health Services	27,500			27,500
Leisure Time Activities	154,713			154,713
Community Environment	32,588	173,000		205,588
Basic Utility Services		21,061		21,061
Transportation		281,940		281,940
General Government	393,469	161,390	172	555,031
Capital Outlay			1,101,797	1,101,797
Debt Service:				
Principal Retirement		23,441		23,441
Interest and Fiscal Charges		6,230		6,230
<i>Total Cash Disbursements</i>	<u>1,243,025</u>	<u>1,346,985</u>	<u>1,148,174</u>	<u>3,738,184</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>702,164</u>	<u>(61,346)</u>	<u>(967,413)</u>	<u>(326,595)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets			23,405	23,405
Transfer In		35,000	700,000	735,000
Transfers Out	(735,000)			(735,000)
Other Financing Uses	(16)			(16)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(735,016)</u>	<u>35,000</u>	<u>723,405</u>	<u>23,389</u>
<i>Net Change in Fund Cash Balances</i>	<u>(32,852)</u>	<u>(26,346)</u>	<u>(244,008)</u>	<u>(303,206)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,111,302</u>	<u>1,280,413</u>	<u>2,058,154</u>	<u>4,449,869</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,078,450</u>	<u>\$1,254,067</u>	<u>\$1,814,146</u>	<u>\$4,146,663</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,119,039
Miscellaneous	25,980
	<hr/>
<i>Total Operating Cash Receipts</i>	2,145,019
	<hr/>
<b>Operating Cash Disbursements</b>	
Personal Services	310,437
Employee Fringe Benefits	120,842
Contractual Services	613,538
Supplies and Materials	108,719
Other	7,780
	<hr/>
<i>Total Operating Cash Disbursements</i>	1,161,316
	<hr/>
<i>Operating Income</i>	983,703
	<hr/>
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	804
Sale of Capital Assets	1,525
Capital Outlay	(146,928)
Principal Retirement	(452,142)
Interest and Other Fiscal Charges	(18,836)
	<hr/>
<i>Total Non-Operating Receipts (Disbursements)</i>	(615,577)
	<hr/>
<i>Net Change in Fund Cash Balances</i>	368,126
	<hr/>
<i>Fund Cash Balances, January 1</i>	2,665,394
	<hr/>
<i>Fund Cash Balances, December 31</i>	\$3,033,520
	<hr/> <hr/>

*The notes to the financial statements are an integral part of this statement.*

VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial</u>
<b>Additions</b>	
Property and Other Local Taxes Collected for Distribution	\$103,172
Fines, Licenses and Permits for Distribution	15,978
Other Amounts Collected for Distribution	<u>46,424</u>
<i>Total Additions</i>	<u>165,574</u>
<b>Deductions</b>	
Distributions to Other Governments	107,329
Distributions to Other Funds (Primary Government)	<u>11,821</u>
<i>Total Deductions</i>	<u>119,150</u>
<i>Net Change in Fund Cash Balances</i>	46,424
<i>Fund Cash Balances, January 1</i>	<u>                    </u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$46,424</u></u>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 1 – Reporting Entity**

The Village of Hicksville, Defiance County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse collection, park operations, police services, and fire and emergency medical services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization, Hicksville Union Cemetery, and a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Notes 9 and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

***Fire/EMS Levy Fund*** The Fire/EMS Levy Fund receives fire and emergency medical services tax levy money and payments from residents of the Village and surrounding areas who receive fire and emergency medical services. Grants are also a source of revenue.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

***Capital Projects Fund*** The Capital Projects Fund receives a portion of the Village income tax revenue. The revenue is used to make permanent improvements to Village land and property.

***Enterprise Funds*** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Water Operating Fund** The Water Operating Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Operating Fund** The Sewer Operating Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had the following significant Custodial Fund:

**Village of Sherwood Income Tax Fund** The Village of Sherwood Income Tax Fund receives income tax revenue collected and disbursed each month on behalf of the Village of Sherwood.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

The Village values U.S. Government and Agency securities and negotiable certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 3 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2021
Demand deposits	\$2,592,110
Cash on hand	580
Total deposits and cash on hand	2,592,690
U.S. Government and Agency securities	2,947,702
Money market mutual fund	676,534
Negotiable certificates of deposit	988,000
STAR Ohio	21,681
Total investments	4,633,917
Total deposits, cash on hand, and investments	\$7,226,607

The Village does not have a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$14,023 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

The Village values U.S. Government and Agency securities and negotiate certificates of deposit at cost. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$1,257,404	\$1,945,189	\$687,785
Special Revenue	1,753,437	1,320,639	(432,798)
Capital Projects	1,205,262	904,166	(301,096)
Enterprise	2,069,137	2,147,348	78,211
Total	\$6,285,240	\$6,317,342	\$32,102

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,230,302	\$1,981,683	\$248,619
Special Revenue	2,153,800	1,348,381	805,419
Capital Projects	2,607,656	1,311,064	1,296,592
Enterprise	3,246,529	1,951,074	1,295,455
Total	\$10,238,287	\$6,592,202	\$3,646,085

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

***Income Taxes***

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes monthly or quarterly and file a final return annually.

**Note 6 – Debt**

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$4,171,958	0.20% - 0.98%
Ohio Public Works Commission Loan	450,000	0%
Hicksville Bank Loan	145,290	3.89%
Total	\$4,767,248	



**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Ohio Water Development Authority Loans**

The Village entered into a loan agreement dated August 25, 2005 with the Ohio Water Development Authority (OWDA) (Loan Number 4373) in the amount of \$6,659,433 for the purpose of expanding the sewer plant mandated by the Ohio Environmental Protection Agency. This loan is to be repaid over a period of 20 years in semi-annual installments of \$169,921, including 0.20 percent interest. As of December 31, 2021, the balance of this loan was \$2,025,859.

The Village entered into a loan agreement dated August 25, 2016 with OWDA (Loan Number 7450) in the amount of \$1,073,071 for the purpose of making sanitary sewer improvements along Antwerp Drive. This loan is to be repaid over a period of 30 years in semi-annual installments of \$18,435, including 0.20 percent interest. As of December 31, 2021, the balance of this loan was \$933,685.

The Village entered into a loan agreement dated March 30, 2017 with OWDA (Loan Number 7619) in the amount of \$1,406,227 for the purpose of making improvements on Bryan and Main Streets included in the Long-Term Control Plan Phase I project. This loan is to be repaid over a period of 20 years in semi-annual installments of \$38,799, including 0.98 percent interest. As of December 31, 2021, the balance of this loan was \$1,212,414.

**Ohio Public Works Commission Loan**

The Village entered into a loan agreement dated July 13, 2015 with the Ohio Public Works Commission (Loan Number CT10S) in the amount of \$500,000 for the CSO Abatement Program which includes various storm sewer and sanitary sewer improvements. This loan will be repaid over a period of 30 years in semi-annual installments of \$8,333 at 0 percent interest. As of December 31, 2021, the balance of this loan was \$450,000.

**Hicksville Bank Loan**

The Village entered into a loan agreement dated June 3, 2020 with The Hicksville Bank (Loan Number 26690) in the amount of \$180,000 for the purchase of an ambulance. This loan will be repaid over a period of 7 years in monthly installments of \$2,456 at 3.89 percent interest. As of December 31, 2021, the balance of this loan was \$145,290.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OWDA Loans	OPWC Loan	Hicksville Bank Loan
2022	\$454,311	\$16,667	\$29,271
2023	454,311	16,667	29,471
2024	454,311	16,667	29,471
2025	454,311	16,667	29,471
2026	454,311	16,667	29,471
2027 - 2031	912,018	83,333	14,736
2032 - 2036	572,345	83,333	
2037 - 2041	339,550	83,333	
2042 - 2046	184,354	83,333	
2047 - 2048	36,871	33,333	
Total	<u>\$4,316,693</u>	<u>\$450,000</u>	<u>\$161,891</u>

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The majority of Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

***Ohio Police and Fire Retirement System***

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

***Social Security***

The Village's firefighter employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans which include medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees used to be reimbursed for health care expenses.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 9 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60 percent and 70 percent of casualty premiums in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70 percent and 75 percent. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65 percent and 70 percent. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60 percent and 67.5 percent and remain unchanged November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 10 – Interfund Transfers**

During 2021, the following transfers were made:

Fund	Transfer In
Transfers From General Fund To:	
Special Revenue Fund:	
Police Pension Fund	\$35,000
Capital Projects Fund:	
Capital Projects Fund	<u>700,000</u>
	<u>\$735,000</u>

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

**Note 11 – Jointly Governed Organization**

The Hicksville Union Cemetery is jointly governed by the Village of Hicksville and Hicksville Township. The Village Council and Trustee Township appoint the Cemetery’s three-member Board of Trustees to direct cemetery operations, including grounds maintenance, opening and closing of graves, and the sale of grave lots. Both entities also provide funding to meet the Cemetery’s operating costs under the agreement which established the Cemetery. Each May an annual joint meeting is held in the Village’s Council chambers. Financial information can be obtained from the Hicksville Union Cemetery, 407 Manor Lane, Hicksville, Ohio 43526.

**Note 12 – Miscellaneous Revenues**

Miscellaneous receipts in the Special Revenue Fund primarily consisted of revolving loan principal and interest payments and rentals.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact of the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the cash balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$732			\$732
Outstanding Encumbrances	3,642	\$1,396	\$162,890	167,928
<i>Total</i>	<u>\$4,374</u>	<u>\$1,396</u>	<u>\$162,890</u>	<u>\$168,660</u>

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

The fund balance of Special Revenue Funds is restricted. The fund balance of Capital Projects Funds is restricted or assigned. These restricted and assigned amounts in the Special Revenue and Capital Projects Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 15 – Subsequent Events**

On August 2, 2022, the contract was awarded for the Village's South Water Tower Replacement Project in the amount of \$1,553,650.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Taxes	\$108,612	\$204,438		\$313,050
Municipal Income Tax	1,327,736			1,327,736
Intergovernmental	102,556	569,651		672,207
Special Assessments			\$56,362	56,362
Charges for Services	32,997	303,729		336,726
Fines, Licenses and Permits	19,634	18,471		38,105
Earnings on Investments	103,450	220		103,670
Miscellaneous	285,462	340,936		626,398
<b>Total Cash Receipts</b>	<b>1,980,447</b>	<b>1,437,445</b>	<b>56,362</b>	<b>3,474,254</b>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	602,174	583,157	45,831	1,231,162
Public Health Services	27,500			27,500
Leisure Time Activities	160,946			160,946
Community Environment	29,419	18,000		47,419
Basic Utility Services		25,273		25,273
Transportation		205,235		205,235
General Government	442,408	56,776	230	499,414
Capital Outlay		180,000	551,508	731,508
Debt Service:				
Principal Retirement		11,269		11,269
Interest and Fiscal Charges		3,467		3,467
<b>Total Cash Disbursements</b>	<b>1,262,447</b>	<b>1,083,177</b>	<b>597,569</b>	<b>2,943,193</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>718,000</b>	<b>354,268</b>	<b>(541,207)</b>	<b>531,061</b>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued		180,000		180,000
Sale of Capital Assets			35,000	35,000
Transfer In		60,000	400,000	460,000
Transfers Out	(460,000)			(460,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(460,000)</b>	<b>240,000</b>	<b>435,000</b>	<b>215,000</b>
<b>Net Change in Fund Cash Balances</b>	<b>258,000</b>	<b>594,268</b>	<b>(106,207)</b>	<b>746,061</b>
<b>Fund Cash Balances, January 1</b>	<b>853,302</b>	<b>686,145</b>	<b>2,164,361</b>	<b>3,703,808</b>
<b>Fund Cash Balances, December 31</b>	<b>\$1,111,302</b>	<b>\$1,280,413</b>	<b>\$2,058,154</b>	<b>\$4,449,869</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,054,204
Miscellaneous	15,931
	2,070,135
<i>Total Operating Cash Receipts</i>	<i>2,070,135</i>
<b>Operating Cash Disbursements</b>	
Personal Services	349,422
Employee Fringe Benefits	120,926
Contractual Services	650,965
Supplies and Materials	67,569
Other	6,526
	1,195,408
<i>Total Operating Cash Disbursements</i>	<i>1,195,408</i>
<i>Operating Income</i>	<i>874,727</i>
<b>Non-Operating Disbursements</b>	
Capital Outlay	238,088
Principal Retirement	442,434
Interest and Other Fiscal Charges	20,210
	700,732
<i>Total Non-Operating Disbursements</i>	<i>700,732</i>
<i>Net Change in Fund Cash Balances</i>	<i>173,995</i>
<i>Fund Cash Balances, January 1</i>	<i>2,491,399</i>
<i>Fund Cash Balances, December 31</i>	<i>\$2,665,394</i>

*The notes to the financial statements are an integral part of this statement.*

VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial</u>
<b>Additions</b>	
Property and Other Local Taxes Collected for Distribution	\$95,127
Fines, Licenses and Permits for Distribution	<u>12,925</u>
<i>Total Additions</i>	<u>108,052</u>
<b>Deductions</b>	
Distributions to Other Governments	98,012
Distributions to Other Funds (Primary Government)	<u>10,040</u>
<i>Total Deductions</i>	<u>\$108,052</u>
<i>Net Change in Fund Cash Balances</i>	
<i>Fund Cash Balances, January 1</i>	<u>                    </u>
<i>Fund Cash Balances, December 31</i>	<u><u>                    </u></u>

*The notes to the financial statements are an integral part of this statement.*



**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Note 1 – Reporting Entity**

The Village of Hicksville, Defiance County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse collection, park operations, police services, and fire and emergency medical services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization, Hicksville Union Cemetery, and a public entity risk pool, the Ohio Plan Risk Management, Inc. (OPRM). Notes 9 and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

***Fire/EMS Levy Fund*** The Fire/EMS Levy Fund receives fire and emergency medical services tax levy money and payments from residents of the Village and surrounding areas who receive fire and emergency medical services. Grants are also a source of revenue.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Funds:

***Capital Projects Fund*** The Capital Projects Fund receives a portion of the Village income tax revenue. The revenue is used to make permanent improvements to Village land and property.

***Infrastructure Fund*** The Infrastructure Fund received grants from the Ohio Public Works Commission and Ohio Water Development Authority which were used to purchase land to build a well field to refurbish wells for the Village's water sanitary sewer system.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**Enterprise Funds** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

**Water Operating Fund** The Water Operating Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Operating Fund** The Sewer Operating Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had the following significant Custodial Fund:

**Village of Sherwood Income Tax Fund** The Village of Sherwood Income Tax Fund receives income tax revenue collected and disbursed each month on behalf of the Village of Sherwood.

**Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Budgetary Process**

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 4.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values U.S. Government and Agency securities and negotiable certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	<u>2020</u>
Demand deposits	\$2,505,392
Cash on hand	580
Total deposits and cash on hand	<u>2,505,972</u>
U.S. Government and Agency securities	3,150,223
Money market mutual fund	449,404
Negotiable certificates of deposit	988,000
STAR Ohio	21,664
Total investments	<u>4,609,291</u>
Total deposits, cash on hand, and investments	<u><u>\$7,115,263</u></u>

The Village does not have a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$1,269 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

The Village values U.S. Government and Agency securities and negotiate certificates of deposit at cost. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

2020 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,415,000	\$1,980,447	\$565,447
Special Revenue	1,333,488	1,677,445	343,957
Capital Projects	450,000	491,362	41,362
Enterprise	1,590,000	2,070,135	480,135
Total	<u>\$4,788,488</u>	<u>\$6,219,389</u>	<u>\$1,430,901</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,938,106	\$1,749,037	\$189,069
Special Revenue	1,740,780	1,208,305	532,475
Capital Projects	2,276,476	1,865,301	411,175
Enterprise	3,266,605	2,201,724	1,064,881
Total	<u>\$9,221,967</u>	<u>\$7,024,367</u>	<u>\$2,197,600</u>

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

***Income Taxes***

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes monthly or quarterly and file a final return annually.

**Note 6 – Debt**

Debt outstanding at December 31, 2020 was as follows:

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$4,607,433	0.20% - 0.98%
Ohio Public Works Commission Loan	466,667	0%
Hicksville Bank Loan	168,731	3.89%
Total	\$5,242,831	

**Ohio Water Development Authority Loans**

The Village entered into a loan agreement dated August 25, 2005 with the Ohio Water Development Authority (OWDA) (Loan Number 4373) in the amount of \$6,659,433 for the purpose of expanding the sewer plant mandated by the Ohio Environmental Protection Agency. This loan is to be repaid over a period of 20 years in semi-annual installments of \$169,921, including 0.20 percent interest. As of December 31, 2020, the balance of this loan was \$2,361,146.

The Village entered into a loan agreement dated August 25, 2016 with OWDA (Loan Number 7450) in the amount of \$1,073,071 for the purpose of making sanitary sewer improvements along Antwerp Drive. This loan is to be repaid over a period of 30 years in semi-annual installments of \$18,435, including 0.20 percent interest. As of December 31, 2020, the balance of this loan was \$968,636.

The Village entered into a loan agreement dated March 30, 2017 with OWDA (Loan Number 7619) in the amount of \$1,406,227 for the purpose of making improvements on Bryan and Main Streets included in the Long-Term Control Plan Phase I project. This loan is to be repaid over a period of 20 years in semi-annual installments of \$38,799, including 0.98 percent interest. As of December 31, 2020, the balance of this loan was \$1,277,651.

**Ohio Public Works Commission Loan**

The Village entered into a loan agreement dated July 13, 2015 with the Ohio Public Works Commission (Loan Number CT10S) in the amount of \$500,000 for the CSO Abatement Program which includes various storm sewer and sanitary sewer improvements. This loan will be repaid over a period of 30 years in semi-annual installments of \$8,333 at 0 percent interest. As of December 31, 2020, the balance of this loan was \$466,667.

**Hicksville Bank Loan**

The Village entered into a loan agreement dated June 3, 2020 with The Hicksville Bank (Loan Number 26690) in the amount of \$180,000 for the purchase of an ambulance. This loan will be repaid over a period of 7 years in monthly installments of \$2,456 at 3.89 percent interest. As of December 31, 2020, the balance of this loan was \$168,731.

Amortization of the above debt, including interest, is scheduled as follows:

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

Year Ending December 31:	OWDA Loans	OPWC Loan	Hicksville Bank Loan
2021	\$454,311	\$16,667	\$29,471
2022	454,311	16,667	29,471
2023	454,311	16,667	29,471
2024	454,311	16,667	29,471
2025	454,311	16,667	29,471
2026 - 2030	1,251,859	83,333	44,207
2031 - 2035	572,346	83,333	
2036 - 2040	417,149	83,333	
2041 - 2045	184,354	83,333	
2046 - 2048	73,741	50,000	
Total	\$4,771,004	\$466,667	\$191,562

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The majority of Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Ohio Police and Fire Retirement System***

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

***Social Security***

The Village's firefighter employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans which include medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees used to be reimbursed for health care expenses.

**Note 9 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47 percent of the premium and losses on the first \$250,000 casualty and 30 percent of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30 percent for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM's property retention remained unchanged, however, the Plan assumed 100 percent of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30 percent to 33 percent, while the casualty treaty remains unchanged and still assumes 100 percent of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33 percent to 55 percent, while the casualty treaty remains unchanged and still assumes 100 percent of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.



**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

Assets	\$18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$5,296,707</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 10 – Interfund Transfers**

During 2020, the following transfers were made:

Fund	Transfer In
Transfers From General Fund To:	
Special Revenue Fund:	
Police Pension Fund	\$60,000
Capital Projects Fund:	
Capital Projects Fund	<u>400,000</u>
	<u>\$460,000</u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

**Note 11 – Jointly Governed Organization**

The Hicksville Union Cemetery is jointly governed by the Village of Hicksville and Hicksville Township. The Village Council and Trustee Township appoint the Cemetery’s three-member Board of Trustees to direct cemetery operations, including grounds maintenance, opening and closing of graves, and the sale of grave lots. Both entities also provide funding to meet the Cemetery’s operating costs under the agreement which established the Cemetery. Each May an annual joint meeting is held in the Village’s Council chambers. Financial information can be obtained from the Hicksville Union Cemetery, 407 Manor Lane, Hicksville, Ohio 43526.

**Note 12 – Miscellaneous Revenue**

Miscellaneous receipts in the General Fund primarily consisted of refunds, donations, and rentals. Miscellaneous receipts in the Special Revenue Fund primarily consisted of revolving loan principal and interest payments and rentals.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

During 2020, the Village received CARES Act funding. These amounts are reflected as general government and security of persons and property expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the cash balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:				
Unclaimed Monies	\$732			\$732
Outstanding Encumbrances	26,590	\$125,128	\$1,267,732	1,419,450
<i>Total</i>	<u>\$27,322</u>	<u>\$125,128</u>	<u>\$1,267,732</u>	<u>\$1,420,182</u>

The fund balance of Special Revenue Funds is restricted. The fund balance of Capital Projects Funds is restricted or assigned. These restricted and assigned amounts in the Special Revenue and Capital Projects Funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 15 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Government Fund Types.

The implementation of GASB Statement No. 84 did not have an effect on the fund balance of the governmental and proprietary funds as previously reported. Due to the implementation of GASB Statement No. 84, the new classification of Custodial Funds is reporting a beginning fund balance of \$0.

**Note 16 – Compliance**

Contrary to Ohio Rev. Code § 5705.10(F), the Village recorded the proceeds from the sale of capital assets in the wrong fund.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Hicksville  
Defiance County  
111 South Main Street  
Hicksville, Ohio 43526-1398

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements of the Village of Hicksville, Defiance County, Ohio (the Village) and have issued our report thereon dated December 21, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(D) permit. We also noted the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2021-001.

***Purpose of this Report***

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 21, 2022

**VILLAGE OF HICKSVILLE  
DEFIANCE COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2021-001**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(F)** requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines “permanent improvement” to mean “any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.”

Due to a deficiency in the implementation of controls over the sale of assets and recording of assets, in 2020, the Village inappropriately recorded \$35,000 from the sale of land in the Special Revenue Community Development Fund. Given the source of the revenue, this should have been recorded in the Capital Projects Permanent Improvement Fund. Audit adjustments are reflected in the financial statements and in the accounting records correcting this and other immaterial errors in the amounts of \$10,300 and \$13,105.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

**FINDING NUMBER 2021-002**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements and notes to the financial statements:

- In 2021 and 2020, special assessments were incorrectly classified as property and other taxes in the Street Lights Fund in the amounts of \$60,804 and \$56,362, respectively.
- In 2021, Mayor’s Court Fund fines, licenses and permits for distribution, distributions to other governments, and distributions to other funds (primary government) were understated in the amounts of \$15,978, \$4,157, and \$11,821, respectively.
- In 2020, Mayor’s Court Fund fines, licenses and permits for distribution, distributions to other governments, and distributions to other funds (primary government) were understated in the amounts of \$12,925, \$2,885, and \$10,040, respectively.
- In 2020, capital outlay and loans issued were understated in the Fire/EMS Levy Fund in the amount of \$180,000.
- In 2021, budgeted receipts in the Budgetary Activity note to the financial statements did not agree to amounts certified by the County Budget Commission. Budgeted receipts were overstated in the General Fund in the amount of \$157,596 and understated in the Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$725,252, \$406,362, and \$1,489,137, respectively.

- In 2021, appropriation authority in the Budgetary Activity note to the financial statements did not agree to amounts approved by Village Council. Appropriation authority was understated in the Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$125,128, \$1,267,732, and \$305,584, respectively.
- In 2021, budgetary expenditures in the Budgetary Activity note to the financial statements were understated in the Capital Projects and Enterprise Funds in the amounts of \$162,890 and \$171,852, respectively.
- In 2020, appropriations authority in the Budgetary Activity note to the financial statements did not agree to amounts approved by Village Council. Appropriation authority was understated in the Enterprise Fund in the amount of \$189,933.
- In 2020, budgetary expenditures in the Budgetary Activity note to the financial statements were understated in the Special Revenue, Capital Projects, and Enterprise Funds in the amounts of \$125,128, \$1,267,732, and \$305,584, respectively.
- In 2021, outstanding encumbrances in the Fund Balances note to the financial statements were understated in the Capital Projects Fund in the amount of \$162,890.
- In 2020, outstanding encumbrances in the Fund Balances note to the financial statements were understated in the Special Revenue and Capital Projects Funds in the amounts of \$125,128 and \$1,267,732, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements and notes to the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other immaterial errors ranging from \$10 to \$40,505. In addition to the adjustments noted above, we also identified additional insignificant misstatements ranging from \$5,987 to \$7,737 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and the finance committee, to help identify and correct errors and omissions.

## 2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issue related to Findings for Recovery. This issue did not impact our GAGAS Compliance and Controls report.

### FINDING NUMBER 2021-003

#### **Finding For Recovery Repaid Under Audit – Contract Billing Errors**

The Village of Hicksville's Contract for Fire and Emergency Medical Services with Mark Township for the period of July 1, 2020 through June 30, 2023 indicates that Mark Township will be invoiced monthly for emergency medical services (EMS) which have been provided by the Village. The contract provides that fees shall be paid by Mark Township within thirty days from the date the statement is received and that failure to remit payment of the said statement could result in termination of the contract agreement.

Due to inadequate policies and procedures over monitoring the billings and collections of EMS runs, the Village incorrectly billed the Township using the rates from the previous contract for the period ending June 30, 2020 for three billings in 2021, which resulted in the Township being underbilled for emergency medical services provided by the Village. At December 31, 2021, Mark Township owed the Village of Hicksville \$661 for the emergency medical services provided for their jurisdiction on behalf of the Township in 2021 and 2020.

Failure to properly calculate billings for services provided can result in loss of revenue to the Village.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Mark Township, and in favor of the Village of Hicksville's Special Revenue Fire/EMS Levy Fund, in the amount \$661.

On November 14, 2022, Mark Township repaid the Village of Hicksville \$661. The Village receipted the \$661 into the Fire/EMS Levy Fund on November 23, 2022.

The Village should implement policies and procedures to review emergency medical services billings to help ensure they are being invoiced in accordance with the approved contracts.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.

# VILLAGE OF HICKSVILLE

111 South Main Street  
Hicksville Ohio 43526-1398  
[www.villageofhicksville.com](http://www.villageofhicksville.com)

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2021 AND 2020

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	This finding was first reported in 2005. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2021-002 in this report.	This finding reoccurred due to errors in the financial statements and notes to the financial statements. The Fiscal Officer will review the errors and take them into consideration for future audits.

MAYOR *Ron Jones*  
419-542-6161  
[hixmayor@defnet.com](mailto:hixmayor@defnet.com)

ADMINISTRATOR *Cory Wann*  
419-542-8095  
[viladmin@defnet.com](mailto:viladmin@defnet.com)

FISCAL OFFICER *Cheryl Smith*  
419-542-6138  
[hixcs@defnet.com](mailto:hixcs@defnet.com)

SOLICITOR *Troy Essex*  
419-956-2012  
[hicksville.solicitor@gmail.com](mailto:hicksville.solicitor@gmail.com)

COUNCIL MEMBERS: *Michael Barth – Eric Bassett – Ron Beverly Sr. – Toni Egby – Taylor Klepper – Charlie Martin*



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF HICKSVILLE**

**DEFIANCE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/3/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)